

BLACKWOOD HODGE (CANADA) LIMITED  
INTERIM REPORT TO SHAREHOLDERS

TO THE SHAREHOLDERS:

Activity in the construction and other industries which we serve showed little improvement in the six months to 30th June 1977. The demand for our products and services continued to be below normal and selling prices were very competitive. As the result of major orders from certain special projects Sales and Rentals at \$55.5m showed an improvement of 19.5 percent over 1976 and was in fact above our budget forecasts. Gross profit margins were however lower so that our gross earnings were reduced.

In our report dated 20th March 1977 on the results for the year 1976 we referred to the action being taken to effect expense economies. The results are now being seen and overhead expenses in the past six months were below 1976 levels and below our budget estimates in spite of the inflationary trends which existed.

We have been able to reduce inventory levels and as a result our borrowings showed a decline with a small saving in interest costs but efforts to effect further reductions are continuing.

A review of our trading forecasts for the second half of 1977 indicates that there is no reason to vary the statement made in our last annual report that the year will show a reasonable level of profit.

*W.A. Shapland*  
W. A. Shapland — Chairman

*F.J. King*  
F. J. King — President

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**

**Consolidated Statement of Earnings**

		<b>For the six months ended</b>	
	<b>(\$000)</b>	<b>June 30, 1977</b>	<b>June 30, 1976</b>
SALES AND RENTALS		<b>\$ 55,549</b>	<b>\$ 46,496</b>
Costs and expenses		<b>52,410</b>	<b>43,113</b>
Earnings from operations		<b>3,139</b>	<b>3,383</b>
Interest earned		<b>393</b>	<b>565</b>
EARNINGS BEFORE INTEREST CHARGES		<b>3,532</b>	<b>3,948</b>
Interest charges		<b>3,204</b>	<b>3,350</b>
Earnings before income taxes		<b>328</b>	<b>598</b>
Provision for income taxes		<b>154*</b>	<b>290</b>
NET EARNINGS FOR THE PERIOD		<b>\$ 174</b>	<b>\$ 308</b>
EARNINGS PER SHARE		<b>0.07</b>	<b>.13</b>
SHARES OUTSTANDING — Weighted Average		<b>2,408,293</b>	<b>2,405,935</b>

\*This provision will not be needed if proposals made in the recent Federal Budget are adopted.

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Financial Position**

	<b>For the six months ended</b>	
	<b>June 30, 1977</b>	<b>June 30, 1976</b>
(\$000)		
<b>SOURCE OF WORKING CAPITAL:</b>		
Net earnings for the period	174	308
Depreciation	1,041	1,443
	1,215	1,751
Sale of rental equipment	1,253	1,527
Decrease (Increase) in instalment receivables	1,182	711
Issue of common shares	4*	15*
	3,654	4,004
<b>USE OF WORKING CAPITAL:</b>		
Property, plant and rental equipment	1,732	3,963
Dividend	—	598
Decrease (Increase) in long-term debt	198	216
Decrease (Increase) in trade notes payable	1,372	278
	3,302	5,055
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>		
Working capital at beginning of the period	352	(1,051)
WORKING CAPITAL AT END OF PERIOD	\$ 8,892	\$10,235

\* Rights exercised under Employees Stock Option Plan.

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**BLACKWOOD HODGE  
(CANADA) LIMITED**

Head Office:  
10 Suntract Road  
Weston, Ontario M9N 3N5

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**INTERIM REPORT  
TO SHAREHOLDERS**

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for the six months ended  
June 30, 1977.

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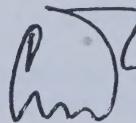
BLACKWOOD HODGE (CANADA) LIMITED  
INTERIM REPORT TO SHAREHOLDERS

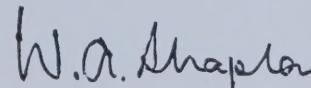
TO THE SHAREHOLDERS:

At the half year stage sales were up by 40% and net earnings were \$1,433,000 or 60 cents per share compared with \$938,000 or 39 cents in the corresponding period last year.

We started 1975 with a large order book and, rentals apart, the level of business has been sustained in the first half of the year. The present outlook is for some softening of the market between now and the year end, but your Directors believe that 1975 as a whole will show a satisfactory improvement over 1974.

Based upon earnings estimated for 1975, your Directors declared an interim dividend payable on September 5, 1975 to shareholders of record at the close of business on August 22, 1975. The ordinary dividend on the outstanding Class A shares is 25 cents per share and the tax-deferred dividend out of tax-paid undistributed surplus on the outstanding Class B shares is 21.25 cents per share.

  
R. B. Shapland  
President & Chief Executive Officer.

  
W. A. Shapland  
Chairman.

August 1, 1975

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Montreal North York

BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES  
Consolidated Statement of Earnings

(\$000)	For the six months ended		
	June 30, 1975	% Increase	June 30, 1974
SALES AND RENTALS - - - - -	<u>\$ 57,100</u>	40%	<u>\$ 40,892</u>
Costs and expenses - - - - -	<u>52,121</u>	40%	<u>37,241</u>
Earnings from operations - - - - -	<u>4,979</u>	36%	<u>3,651</u>
Interest earned - - - - -	<u>610</u>	27%	<u>480</u>
EARNINGS BEFORE INTEREST CHARGES -	<u>5,589</u>	35%	<u>4,131</u>
Interest charges - - - - -	<u>2,710</u>	20%	<u>2,256</u>
Earnings before income taxes - - - - -	<u>2,879</u>	53%	<u>1,875</u>
Provision for income taxes - - - - -	<u>1,446</u>	54%	<u>937</u>
NET EARNINGS FOR THE PERIOD - - - - -	<u>\$ 1,433</u>	53%	<u>\$ 938</u>
EARNINGS PER SHARE - - - - -	<u>\$ .60</u>		<u>\$ .39</u>
Common shares outstanding - - - - -	<u>2,403,050*</u>		<u>2,400,000</u>

\* Rights exercised (3,050 shares) under Employees Stock Option Plan.

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**

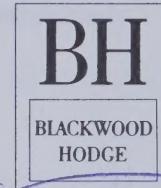
**Consolidated Statement of Changes in Financial Position**

	<u>For the six months ended</u>	
<u>(\$000)</u>	<u>June 30, 1975</u>	<u>June 30, 1974</u>
<b>SOURCE OF WORKING CAPITAL:</b>		
Net earnings for the period	\$ 1,433	\$ 938
Depreciation	1,659	1,429
Deferred income taxes	(100)	—
	2,992	2,367
Sale of rental equipment	1,357	941
Increase in trade notes payable	404	1,792
Issue of common shares	11*	—
	4,764	5,100
<b>USE OF WORKING CAPITAL:</b>		
Property, plant and rental equipment	2,952	3,698
Dividend	598	479
Reduction (Increase) in long-term debt	(35)	459
Increase (Decrease) in instalment receivables	263	(113)
	3,778	4,523
<b>INCREASE IN WORKING CAPITAL</b>		
Working capital at beginning of the period	986	577
	9,783	9,524
<b>WORKING CAPITAL AT END OF PERIOD</b>	<b>\$10,769</b>	<b>\$10,101</b>

\*Rights exercised (3,050 shares) under Employees Stock Option Plan.

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*Concord*



*File*

**BLACKWOOD HODGE  
(CANADA) LIMITED**

Head Office:  
10 Suntract Road  
Weston, Ontario M9N 3N5

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**INTERIM REPORT  
TO SHAREHOLDERS**

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for the six months ended  
June 30, 1975

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**BLACKWOOD HODGE (CANADA) LIMITED**  
**INTERIM REPORT TO SHAREHOLDERS**

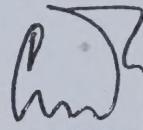
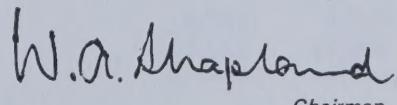
TO THE SHAREHOLDERS:

At the half year stage sales are up by 32.4% and net earnings were \$938,000 or 39 cents per share compared with \$606,000 or 31 cents in the previous year.

In comparing the first half results of 1974 with 1973 and the 1973 fiscal it should be noted that 1973 started slowly whereas the current year's gains are above average. Therefore fiscal profit trends shown by these results will probably not continue through the second half of the year. However, your Directors believe that 1974 as a whole will show a satisfactory improvement over 1973.

Based upon net profit estimates for 1974, your Directors declared an interim dividend payable on September 16th, 1974 to shareholders of record at the close of business on August 30th, 1974. The ordinary dividend on the outstanding Class A shares is 15 cents per share and the tax-deferred dividend out of tax-paid undistributed surplus on the outstanding Class B shares is 12.75 cents per share.

As you know, the Company created the inter-convertible Class A shares and Class B shares in order to enable shareholders of the Company to choose whether they wish to receive an ordinary dividend or a tax-deferred dividend. If you wish to exercise your conversion privilege with respect to any or all shares presently held by you, you should complete and sign the Notice of Intention to Convert on the reverse side of the share certificate representing your shares. You should then deliver or mail (by registered mail) such certificate to National Trust Company, Limited at 21 King Street East, Toronto, Ontario, leaving sufficient time for the certificate to be received by National Trust Company, Limited before the close of business on August 30th, 1974.

  
P. J. Shapland  
President & Chief Executive Officer.  
W.A. Shapland  
Chairman.

August 12, 1974

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**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**

**Consolidated Statement of Income**

(\$000)	For the six months ended		
	June 30, 1974	Increase	June 30, 1973
NET SALES AND RENTALS - - - - -	✓ \$ 40,892	32.4%	✓ \$ 30,886
Cost of sales and rentals and expenses - - - - -	37,241	31.3%	28,352
Income from operations - - - - -	3,651	44.1%	2,534
Interest on instalment receivables - - - - -	480	41.6%	339
INCOME BEFORE INTEREST CHARGES - - - - -	4,131	43.8%	2,873
Interest charges - - - - -	2,256	37.9%	1,636
Net income before income taxes - - - - -	1,875	51.6%	1,237
Provision for income taxes - - - - -	937	48.5%	631
NET INCOME FOR THE PERIOD - - - - -	✓ 938	54.8%	✓ 606
EARNINGS PER SHARE - - - - -	\$ ✓ .39		\$ ✓ .31
Common shares outstanding - - - - -	✓ 400,000		✓ 1,952,486

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**

**Consolidated Statement of Source and Application of Funds**

(\$000)	For the six months ended	
	June 30, 1974	June 30, 1973
<b>SOURCE OF FUNDS:</b>		
Net income from continuing operations	\$ 938	\$ 606
Depreciation	<u>1,429</u>	1,134
Deferred income taxes	<u>—</u>	123
	<u>2,367</u>	1,863
Disposals of property, plant and equipment	941	828
Reduction (Increase) in instalment receivables	113	(940)
Increase in trade notes payable	<u>1,792</u>	776
Dividends received from subsidiary companies	<u>3,962</u>	—
Total funds provided from continuing operations	<u>9,175</u>	<u>2,527</u>
<b>APPLICATION OF FUNDS:</b>		
Additions to property, plant and equipment	3,698	3,133
Reduction (Increase) in long-term debt	<u>459</u>	(344)
Long-term advances to subsidiary companies	<u>3,962</u>	—
Total funds applied to continuing operations	<u>8,119</u>	<u>2,789</u>
<b>INCREASE (DECREASE) IN WORKING CAPITAL FROM CONTINUING OPERATIONS</b>		
Dividends paid	<u>(479)</u>	—
Proceeds of public issue of common shares	<u>—</u>	4,512
Costs of public issue net of income taxes	<u>—</u>	(38)
Redemption of preferred shares	<u>—</u>	<u>(1,000)</u>
Total funds from other sources	<u>(479)</u>	3,474
<b>INCREASE (DECREASE) IN WORKING CAPITAL</b>		
Working capital at beginning of the period	<u>9,524</u>	4,764
<b>WORKING CAPITAL AT END OF PERIOD</b>	<b><u>\$10,101</u></b>	<b><u>\$7,976</u></b>

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**BLACKWOOD HODGE  
(CANADA) LIMITED**

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Head Office:  
10 Suntract Road  
Weston, Ontario

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**INTERIM REPORT  
TO SHAREHOLDERS**

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for the six months ended  
June 30, 1974

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**BLACKWOOD HODGE (CANADA) LIMITED**  
**INTERIM REPORT TO SHAREHOLDERS**

**TO THE SHAREHOLDERS**

Net Earnings for the six months to 30th June 1979 were \$1,549,000 an increase of \$1,225,000 compared with last year. One reason for the improvement is the inclusion of the earnings of the Tobin business in Saskatchewan which was acquired with effect from 1st July 1978.

Sales and Rentals amounted to \$63,316,000 and were 17.12% ahead of the figures for 1978. Some improvement in gross margins and changes in the mix of sales resulted in an increase of 28.13% in gross earnings. Higher operating costs and overhead expenses reflect current inflationary trends but the increase was reasonable having regard to all the circumstances.

Inventories have increased because of the need to ensure availability of product and the growth of our business has resulted in higher accounts receivable. Additional borrowings were necessary to finance this asset growth and with market interest rates at higher levels our interest charges in the half year increased by \$900,000 to \$3,884,000.

The extraordinary item of \$305,000 represents the reduction of income taxes resulting from the application of losses of prior years.

The results for the first half of 1979 are in the opinion of your Directors satisfactory and although the short term economic prospects are uncertain they believe that the earnings for the year will be in excess of those for 1978. Because of the need to conserve the Company's resources the Directors have decided to defer consideration of dividend payments until it is possible to obtain a more reliable estimate of the current years profits.

*W.A. Shapland*  
W. A. Shapland — Chairman

*F.J. King*  
F.J. King — President

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**  
**Consolidated Statement of Earnings**

	For the six months ended	
	June 30, 1979	June 30, 1978
<b>(\$000)</b>		
<b>SALES AND RENTALS</b>	<b>\$ 63,316</b>	<b>\$ 54,061</b>
Costs and expenses	58,018	50,806
Earnings from operations	5,298	3,255
Interest earned	373	329
<b>EARNINGS BEFORE INTEREST CHARGES</b>	<b>5,671</b>	<b>3,584</b>
Interest charges	3,884	2,984
Earnings before income taxes	1,787	600
Provision for income taxes	543	276
<b>NET EARNINGS BEFORE EXTRAORDINARY ITEM</b>	<b>1,244</b>	<b>324</b>
Extraordinary Item	305	—
<b>NET EARNINGS FOR THE PERIOD</b>	<b>1,549</b>	<b>324</b>
<b>EARNINGS PER SHARE</b>		
Before Extraordinary Item	\$ 0.51	\$ 0.13
After Extraordinary Item	\$ 0.64	\$ 0.13
<b>SHARES OUTSTANDING — Weighted Average</b>	<b>2,422,957</b>	<b>2,409,150</b>

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Financial Position**

	For the six months ended	
	June 30, 1979	June 30, 1978
(\$000)	_____	_____
<b>SOURCE OF WORKING CAPITAL</b>		
Net earnings for the period .....	\$ 1,549	\$ 324
Depreciation .....	1,075	939
Deferred Income Taxes .....	35	( 196)
	2,659	1,067
Sales of rental equipment .....	1,165	1,745
Decrease in instalment receivables .....	127	127
Increase (Decrease) in long term debt. ....	6,472	( 101)
Issue of common shares (employee stock options) .....	67	—
	10,490	2,838
<b>USE OF WORKING CAPITAL</b>		
Purchases of Property Plant and Rental Equipment .....	1,721	2,052
Decrease (Increase) in trade notes payable .....	1,495	( 393)
	3,216	1,659
INCREASE IN WORKING CAPITAL .....	7,274	1,179
Working Capital at beginning of the period .....	22,972	7,028
WORKING CAPITAL AT END OF PERIOD .....	30,246	8,207

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**BLACKWOOD HODGE**  
**(CANADA) LIMITED**

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**INTERIM REPORT  
TO SHAREHOLDERS**

for the six months ended  
June 30, 1979



**BLACKWOOD HODGE**  
(CANADA) LIMITED

**HEAD OFFICE**

10 SUNTRACT ROAD, WESTON, ONTARIO M9N 3N5.

BLACKWOOD HODGE (CANADA) LIMITED  
INTERIM REPORT TO SHAREHOLDERS

TO THE SHAREHOLDERS

Sales and Rentals in the second quarter of 1978 showed an increase of 10% compared with the corresponding period of 1977 so that for the first half of the current year the total of \$54,061,000 was much in line with our expectations.

In spite of additional costs resulting from the fall in the value of the Canadian dollar and from continuing inflationary trends, there was an improvement in gross profit margins. Further, the increase in our operating and overhead expenses was only about 3 per cent.

After adjusting for interest expense the earnings for the six months before charging Income Taxes were \$600,000, an increase of \$272,000. We are not satisfied with this modest improvement but we believe on the basis of our current forecasts that the second half of the year should show a further and more satisfactory increase in earnings.

We completed in July 1978 the purchase of Tobin Tractor (1957) Limited in Saskatchewan. This addition to the area of our operations should further improve our overall profitability.

*W.A. Shapland*  
W. A. Shapland — Chairman

*F.J. King*  
F. J. King — President

25 August 1978.

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**  
**Consolidated Statement of Earnings**

		For the six months ended	
	(\$000)	June 30, 1978	June 30, 1977
SALES AND RENTALS - - - - -		\$ 54,061	\$ 55,549
Costs and expenses - - - - -		<u>50,806</u>	<u>52,410</u>
Earnings from operations - - - - -		3,255	3,139
Interest earned - - - - -		<u>329</u>	<u>393</u>
EARNINGS BEFORE INTEREST CHARGES - - - - -		<u>3,584</u>	<u>3,532</u>
Interest charges - - - - -		<u>2,984</u>	<u>3,204</u>
Earnings before income taxes - - - - -		600	328
Provision for income taxes - - - - -		<u>276</u>	<u>154</u>
NET EARNINGS FOR THE PERIOD - - - - -		<u>\$ 324</u>	<u>\$ 174</u>
EARNINGS PER SHARE - - - - -		<u>0.13</u>	<u>0.07</u>
SHARES OUTSTANDING - Weighted Average - - - - -		2,409,150	2,408,293

**BLACKWOOD HODGE (CANADA) LIMITED AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Financial Position**

	<u>For the six months ended</u>	
<u>(\$000)</u>	<u>June 30, 1978</u>	<u>June 30, 1977</u>
<b>SOURCE OF WORKING CAPITAL:</b>		
Net earnings for the period	\$ 324	\$ 174
Depreciation	939	1,041
	1,263	1,215
Sales of rental equipment	1,745	1,253
Decrease in instalment receivables	127	1,182
Issue of common shares (employee stock options)	-	4
	3,135	3,654
<b>USE OF WORKING CAPITAL:</b>		
Property, plant and rental equipment	2,052	1,732
Decrease in long-term debt	297	198
(Increase) Decrease in trade notes payable	( 393)	1,372
	1,956	3,302
<b>INCREASE IN WORKING CAPITAL</b>		
Working capital at beginning of the period	7,028	8,540
<b>WORKING CAPITAL AT END OF PERIOD</b>	<b>\$ 8,207</b>	<b>\$ 8,892</b>

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File  
**BLACKWOOD HODGE  
(CANADA) LIMITED**

Head Office:  
10 Suntract Road  
Weston, Ontario M9N 3N5

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**INTERIM REPORT  
TO SHAREHOLDERS**

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for the six months ended  
**June 30, 1978.**

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